

# Communication on Engagement

Transnational Alliance to Combat Illicit Trade (TRACIT)

Period covered by this Communication on Engagement:

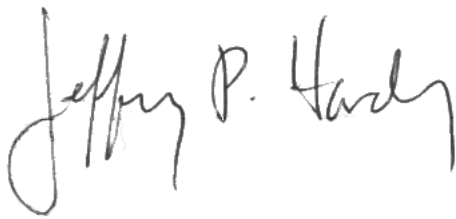
5 May 2022 to 23 April 2024

To our stakeholders:

I am pleased to confirm that the Transnational Alliance to Combat Illicit Trade reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. Attached here, please find our annual Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles, as suggested for a business organization like ours. We also commit to sharing this information with our partners and affiliates and through our newsletter, our social media channels and our website.

Sincerely yours,

A handwritten signature in black ink, reading "Jeffrey P. Hardy". The signature is written in a cursive, flowing style.

Jeffrey P. Hardy  
Director-General, Transnational Alliance to Combat Illicit Trade

## Description of Actions

In the fall of 2018, we submitted our UN Global Compact Commitment Letter to H.E. António Guterres, Secretary-General of the United Nations. In this letter, we confirmed our commitment to the ten principles of the UN Global Compact and expressed our intent to support the Global Compact in advancing them. In the letter, we also pledged to participate in and engage with the UN Global Compact in the following ways:

- Conduct applied research and advocacy to advance and promote best practices and offer sector-specific advice and recommendations on illicit trade and its link with the principles of the UN Global Compact.
- Promote the UN Global Compact Ten Principles through our membership and in our communication channels.
- Support UN Global Compact business participants that are also TRACIT members in spreading the word on their sustainability efforts.
- As a trusted business voice on illicit trade, we commit to mobilize the private sector on combating those sustainability issues that illicit trade gives rise to, and use our established relationships with policymakers and key Inter-Governmental Organizations to advance these issues in the public policy arena.

Reporting back on our pledge, it is our pleasure to highlight the following actions that we have taken in the period between May 2022 and May 2024:

In March 2024, we and the Autoridad Nacional de Aduanas de Panamá (ANA) organized the first edition of the Combatting Illicit Trade Summit of Customs Directors-General in the Americas Region, marking a significant milestone in the collective fight against illicit trade in the region. In addition to TRACIT Director General Jeffrey Hardy and ANA Director General Tayra Barsall, the Summit drew participation from 25 Directors-General in the region including; Argentina, Barbados, Bolivia, Bonaire, Brazil, Canada, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Jamaica, Mexico, Nicaragua, Peru, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, Uruguay and the United States. The Summit benefited by contributions and participation from key Intergovernmental Organizations including, the World Customs Organization (WCO), the Organization for Economic Co-operation and Development (OECD), and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The Summit also featured the collective endorsement of a Joint Statement on Illicit Trade Mitigation, a testament to the collective resolve of the Customs agencies to protect their economies and societies from the harms of illicit trade. The event represents a shared commitment to combatting illicit trade and mitigating associated impacts including human rights abuses and environmental degradation.

In February 2024, we launched a report titled “Money Talks: The Crooked Connection Between Corruption and Illicit Trade”. The report reveals that one of the key underlying conditions that makes countries more vulnerable to illicit trade is corruption, which erodes

controls designed to prohibit illegal goods to move across borders, undermines law enforcement operations to detect or interrupt illicit trade, and contributes to impunity of illicit traders. The report findings were presented during a virtual panel discussion on 22 February 2024 exploring the relationship between illicit trade and corruption and the policies and controls needed to prevent corruption and corrupt actors from compromising the integrity of the global supply chain. The report and event are designed to further the understanding of how illicit trade undermines goals for sustainability and development by addressing negative impacts attributing to corruption (featuring Dr. Daniel Eriksson, CEO, Transparency International); and negative impacts on trade (featuring Dr. Marion Jansen, Director of the Trade and Agriculture Directorate, OECD); and negative impacts on supply chains and security (featuring Dr. Tasha Hippolyte, Deputy Assistant Secretary for Trade Policy, US Department of Homeland Security); and negative impacts on customs controls (featuring Andrea Hampton, Integrity Lead & A-CIP Programme Manager, Capacity Building Directorate, WCO).

Also in February 2024, we hosted a side event at the World Intellectual Property Organization Advisory Committee on Enforcement (ACE) Sixteen Session. The meeting emphasized the importance of fighting illicit trade as a critical measure to achieve the UN Sustainable Development Goals (SDGs), attract investment, protect human rights and eliminate corruption. Panelists included representatives from national governments, intergovernmental organizations and the private sector. They were invited to share examples of how IPR infringements/counterfeiting negatively impact objectives for development, investment, and human rights.

- Ms. Amanda Lotheringen, Senior Manager, Companies and Intellectual Property Commission (CIPC), Department of Trade and Industry, South Africa
- Ms. Christine Pangilinan-Canlapan, Director, Bureau of Legal Affairs, Intellectual Property Office of the Philippines, the Philippines
- Mr. Robi Mbugua Njoroge King'a, Executive Director and Chief Executive Officer, Anti-Counterfeit Authority (ACA), Kenya
- Ms. Warda Duale-Pfaff, Anti-Falsified Medicines Governance Manager, Novartis
- Dr. Piotr Stryszowski, Senior Economist, Working Party on Countering Illicit Trade, Trade and Agriculture Directorate, OECD

In November 2023, we published the report “Exposing Supply Chain Vulnerabilities to Illicit Trade: A global report on dynamics, hotspots and responses across 10 sectors”. The report examines systemic weaknesses in complex supply chains to expose vulnerabilities in transportation modalities and hotspots that traffickers exploit to advance illicit trade, including e-commerce platforms, free trade zones and postal systems. The report also accounts for the poly-criminal nature of illicit trade and appraises the knock-on effects on organized crime, corruption, money laundering and forced labor.

In September 2022, UNCTAD held its 2nd Illicit Trade Forum to spotlight initiatives, facilitate cooperation and discuss ways to operational work on illicit trade. The Forum, co-organized

with TRACIT, saw delegates from over 50 UN Member States join representatives from IGOs, NGOs, academia and the private sector for panel discussions on various illicit trade issues. Participants underscored how illicit trade affects all countries and industries and erodes legitimate economic activity, slowing economic growth and impeding decent, legal employment opportunities. Significantly, the Forum initiated UNCTAD's process of outlining a forward-looking work program, building on UNCTAD's associated work and integrating efforts and resources through collaboration with other agencies, including the World Customs Organization, World Trade Organization, and International Maritime Organization.

Through these events and publications, we have emphasized the UN Global Compact Principles and drawn attention to how steps by all stakeholders—public and private—to mitigate illicit trade can deliver tangible dividends to the Compact's objectives for sustainability and environmental stewardship. Notably, we have aimed to give corporate member speakers a platform to contribute case studies in an effort to highlight their sustainability efforts.

To amplify our voice in combating those sustainability issues that illicit trade gives rise to, we continue to be active members of the Business at the OECD (BIAC) and the ILO Global Business Network on Forced Labor. TRACIT collaborated with the ILO Global Business Network on Forced Labour to highlight how forced labor intersects with multiple forms of illicit trade. As part of BIAC, TRACIT participated in the OECD Task Force on Countering Illicit Trade meetings and work program.

In March 2023, we signed a Memorandum of Understanding (MOU) with the Universal Postal Union (UPU) to strengthen collaboration between our two organizations on mitigating illicit trade. The MoU was signed by UPU Director General Masahiko Metoki and TRACIT Director General Jeffrey Hardy at UPU's headquarters during a meeting of the UPU Postal Security Group. It establishes a foundation for collaborating on measures that can safeguard the postal supply chain from illicit trade and criminal exploitation of global postal services. In addition to raising awareness, the collaboration will drive improvement of postal security standards, promote responsible practices by postal operators to combat illicit trade and initiates pilot projects for information sharing among national posts and the private sector. It responds to a UPU survey of the postal operators that galvanized the need to step up efforts to address illicit trade worldwide.

TRACIT continues to be a registered civil society organization with the [Organization of American States \(OAS\)](#) and a permanent observer with the [World Intellectual Property Organization \(WIPO\)](#).

Finally, we have participated in several meetings on the topic of the SDGs, human rights, and labor, environment and anti-corruption, including:

- OECD working Party on Countering Illicit Trade (WP-CIT) meeting, 4-5 April 2024.
- The Economist's Global Anti-Illicit Trade Summit 2022, 8 November 2022.
- WIPO Advisory Committee on Enforcement: Fifteenth Session, 31 August 2022.

- UN Private Sector Forum, 19 September 2022.
- Global Impact Forum, 20 September 2022.
- SDG Business Forum, 21 September 2022.
- UNCTAD's Ad Hoc Expert Meeting on Competition, Consumer Protection and Sustainability, 28 September 2022.
- 14th Annual Engaging Business Forum, 13-14 October 2022.
- OECD Task Force on Countering Illicit Trade, 16-17 March 2023.
- The Global Forum for Responsible Recruitment, 13-14 June 2023.
- WIPO - NGO Stakeholder Dialogue, 10 July 2023.
- Costa Rican Chamber of Industries (CICR) and Association of Latin American Industrialists (AILA) Congress: Building the future from the engine of development: the main challenges and obstacles to international trade, 16 November 2023.
- WIPO Advisory Committee on Enforcement: Sixteenth Session 31 January – 2 February 2024.
- World Police Summit, 5-7 March 2024.
- 2024 OECD Global Anti-Corruption & Integrity Forum, 26-27 March 2024.
- OECD Working Party on Countering Illicit Trade (WP-CIT) meeting, 4-5 April 2024.
- ILO Global Business Network on Forced Labour membership meetings.

## Measurement of Outcomes

There are a few possible measurements of outcomes that are relevant to the activities that we have conducted in the past two years. These are:

### Participation at our meetings

The Combatting Illicit Trade Summit of Customs Directors-General in the Americas Region in March 2024 participation from 25 Directors-General in the region, and the audience featured more than 200 experts from the private sector.

The virtual panel discussion on “Money Talks: The Crooked Connection Between Corruption and Illicit Trade”, which took place on 22 February 2024, had 309 registered participants from government, IGO, think tanks, private sector, and participation from 5 continents and 48 countries.

### Social media reach

In addition to the research that we put out to advance best practices in combatting illicit trade, we use social media as a key tool to reach our key stakeholders and wider public. Our [LinkedIn](#) activities generate 1000+ impressions per update, and we get between 200 and 2,000 impressions per tweet on our [X](#) account. Finally, we have about 349 unique visitors per day to our [website](#).